

Sales of feed to persons who breed rabbits that will later be sold at retail are considered to be sales for resale purposes. Accordingly, the purchaser should provide the supplier with a Certificate of Resale. See 86 Ill. Adm. Code 130.2100. (This is a GIL).

December 17, 2001

Dear Xxxxx:

This letter is in response to your letter dated October 10, 2001. The nature of your letter and the information you have provided require that we respond with a General Information Letter, which is designed to provide general information, is not a statement of Department policy and is not binding on the Department. See 2 Ill. Adm. Code 1200.120(b) and (c), which can be found on the Department's website at <http://www.revenue.state.il.us/legalinformation/regs/part1200>.

In your letter, you have stated and made inquiry as follows:

Today, I talked to John in the taxpayer information division, and he advised me to write to the Legal Division for a ruling.

I have a farm where I raise various livestock for meat production. I file a Schedule F with my taxes each year, and I pay Illinois estimated quarterly taxes.

I buy my livestock feed at the store in CITY, Illinois.

The problem is that they say I must pay sales tax on the rabbit feed because they are not considered livestock. My rabbits are NOT pets. They are sold at the sale barn along with the other livestock. I also sell them as butcher rabbits. I have quite a number of them, and I buy feed in lots of 20-30 bags, so they could hardly be considered as pets .

Would you please make a ruling that my rabbits are actually raised as livestock just as the cattle and sheep, since they are butchered for meat, and send me an authorization to buy their feed without sales tax at store.

Enclosed is a copy of Section 130.2100, which explains the exemption available to sellers of feed to producers of breeding livestock. This exemption is available only if the offspring of the breeding livestock or the product of the animal (e.g., milk from dairy cows) will subsequently be sold. Feed for work or pleasure horses or for pet animals cannot be purchased tax-free. Sales of feed to producers of breeding livestock are basically considered to be sales for resale purposes. Accordingly, the purchaser should provide the supplier with a Certificate of Resale.

Feed purchased for rabbits that will be sold as meat is exempt from tax under the resale exemption as explained above and in Section 130.2100. In order to claim this exemption a certificate of resale needs to be provided. See Section 130.1405. Agricultural producers who are not registered with the Department and thus do not have a resale number to purchase feed under the resale exemption, are authorized to use the resale number 0110 on certificates of resale as explained in Section 130.1415(f)-(g), enclosed. Feed sold to owners of pet rabbits is not exempt.

I hope this information is helpful. The Department of Revenue maintains a website, which can be accessed at www.revenue.state.il.us. If you have further questions related to the Illinois sales tax laws, please contact the Department's Taxpayer Information Division at (217) 782-3336.

If you are not under audit and you wish to obtain a binding Private Letter Ruling regarding your factual situation, please submit all of the information set out in items 1 through 8 of Section 1200.110(b).

Very truly yours,

Melanie A. Jarvis
Associate Counsel

MAJ:msk
Enc.